Advancing Renewable Energy

California has the most ambitious renewable goals in the nation. Utilities are steadily increasing their sales of renewable energy to 20 percent by the year 2010. California Governor Arnold Schwarzenegger set sights even higher, with a future renewable energy target of 33 percent by 2020.

The California Public Utilities Commission (CPUC) plays a key role in implementation of the Renewable Portfolio Standard with the California Energy Commmison.

The CPUC is responsible for establishing targets for the amount of eligible renewable resources the investor-owned utilities must procure to comply with the RPS.

The CPUC oversees their progress toward meeting the renewable energy targets and verifies compliance with the RPS requirements.

Renewable Energy in California

2002: Senate Bill 1078 established the California Renewable Portfolio Standard (RPS) which required utilities to increase renewable generation with a goal of 20% by 2017

2003: California's key energy agencies adopted an **Energy Action Plan**

2005: Senate Bill 107 advanced the Renewable Portfolio Standard date. Utilities now required to achieve 20% renewable generation by 2010.

To meet the California RPS, utilities procure energy from a "qualifying facility." To qualify as eligible for the RPS and for supplemental energy payments to cover above market costs, a generation facility must use one or more of the following renewable resources or fuels:

California creates the largest single market of all the states for new renewable energy growth. The California RPS will result in 6,750 megawatts of new renewable power and reduce carbon dioxide emissions alone by 18.7 million metric tons. This level of emission reductions is equivalent to taking 2.8 million cars off the road.

- **Biomass**
- **Biodiesel**
- **Digester gas**
- **Fuel cells using renewable fuels**
- **Geothermal**
- **Landfill gas**
- **Municipal solid waste**
- **Ocean wave, ocean thermal, and tidal current**
- **Photovoltaic**
- **Small hydroelectric (30 megawatts or less)**
- **Solar thermal**
- **Wind**

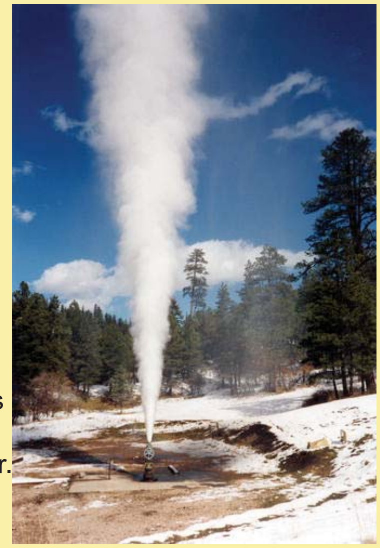
Advancing
Renewable Energy

Utilities are making steady progress towards California's ambitious 20% by 2010 goal.

The investor-owned utilities (IOUs) in California are closing in on the 20% target, with 4 years of procurement ahead.

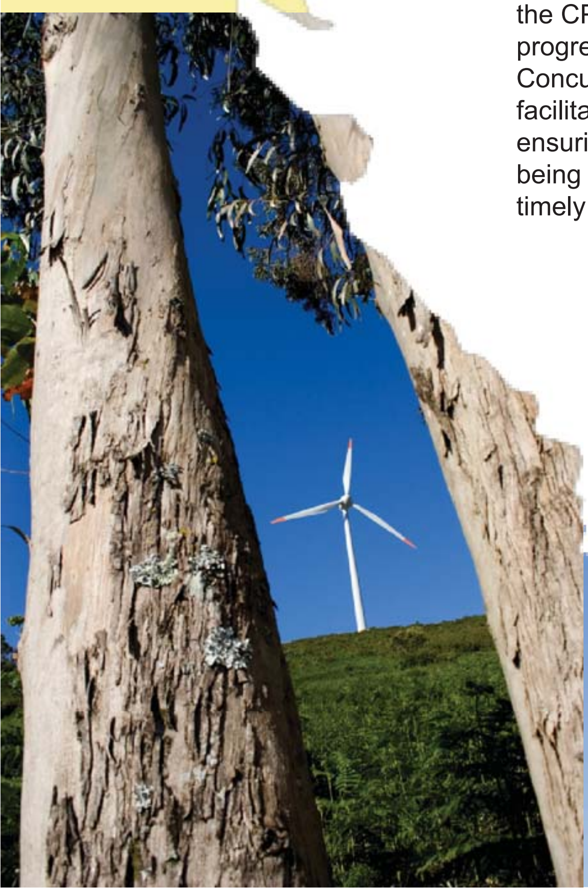
Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric, are actively signing contracts for more renewable generation. Pursuant to Renewable Portfolio Standard (RPS) legislation, however, the CPUC uses actual delivery of the renewable energy, not contracted capacity, as the metric to determine RPS compliance. Each IOU also has short-listed bids and contracts pending approval at the CPUC that represent a significant potential increase in RPS generation.

The RPS Advances the Development of New Renewable Energy in California



A stated goal of California's RPS legislation is to spur the development of new renewable energy generation in California. New generation accounts for almost half of contracts since 2002.

In 2010, approximately 46% of the expected energy generation across the state (5,276 GWh) will come from new, restarted, or repowered projects. This includes significant amounts of new wind, geothermal, and solar power.



After approving a contract, the CPUC tracks the project's progress in meeting its milestones. Concurrently, the agency strives to facilitate project development by ensuring adequate transmission is being permitted and built in a timely fashion.

For more information, visit www.cpuc.ca.gov

RPS Energy is supplied by a variety of technologies, but **wind and geothermal** are dominant

A variety of renewable resources are eligible for the RPS (see opposite side) and represented in contracts, but geothermal and wind resources are set to provide the majority of RPS generation in 2010.